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REDACTED—FOR PUBLIC INSPECTION

January 26, 2018

Accepted / Filed

JAN 26 2018

Federal Communications Commission
Office of the Secretary

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123; *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51

Dear Ms. Dortch:

DOCKET FILE COPY ORIGINAL

In accordance with the *Second Protective Order* for the above-referenced proceedings, Sorenson Communications, LLC ("Sorenson") herein submits a redacted version of the attached ex parte in the above-referenced proceedings.

Sorenson has designated for highly confidential treatment the marked portion of the attached document pursuant to the *Second Protective Order* in CG Docket Nos. 03-123 and 10-51.¹ Sorenson's comments include granular data with respect to its costs for video interpreter training. As such, this material falls under the enumerated item in Appendix A of the *Second Protective Order*:

3. Information that provides granular information about a Submitting Party's past, current or future costs, revenues, marginal revenues, or market share, and future dividends.

Pursuant to the protective order and additional instructions from Commission staff, Sorenson is filing a redacted version of the document electronically via ECFS, one copy of the Highly Confidential version with the Secretary, two copies of the redacted version with the Secretary, and sending copies of the highly confidential version to Eliot Greenwald and Robert Aldrich of the Consumer and Governmental Affairs Bureau and the TRS Reports mailbox.

DOCKET FILE COPY ORIGINAL

¹ *Structure & Practices of the Video Relay Service Program; Telecommunications Relay Services & Speech-to-Speech Services for Individuals with Hearing & Speech Disabilities*, Second Protective Order, DA 12-858, 27 FCC Rcd. 5914 (Cons. & Gov't Affs. Bur. 2012).

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Please contact me if you have any questions or require any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Nakahata", with a stylized flourish at the end.

John T. Nakahata
Counsel to Sorenson Communications, LLC

Attachment

cc: Karen Peltz Strauss
Eliot Greenwald
David Schmidt
Michael Scott
Robert Aldrich
TRSReports@fcc.gov

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January 26, 2018

VIA ECFS AND HAND DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51;
*Telecommunications Relay Services and Speech-to-Speech Services for Individuals with
Hearing and Speech Disabilities*, CG Docket No. 03-123

Dear Ms. Dortch:

Sorenson Communications, LLC (“Sorenson”) provides further information at the request of the Consumer and Governmental Affairs Bureau with respect to the usage of public and enterprise phones, and the ability for Rolka Loube to be able to spot suspected fraud, should it occur. The data here shows that public phones present a very meager opportunity for fraud and that Rolka Loube, using monthly provider compensation submissions and registration database information, can easily track and report on public phone usage trends that the Commission could use to detect potential misuse. As discussed further below, this data supports the view that requiring a Deaf user to login with a username and passcode for either public or enterprise phones is not necessary to prevent waste, fraud, and abuse, and any perceived benefits of a username and passcode requirement are overwhelmed by the burden placed on Deaf consumers, particularly low-income Deaf users who may not be able to afford Internet access, by the implementation costs, and by the likely elimination of the vast majority of public videophones due to the technical inability to implement the Neustar OAuth proposal on Sorenson’s ntouch VP1 and VP2 phones, and the high cost of computer-based alternatives.

The Consumer and Government Affairs Bureau is currently considering a proposal to require users to log in before using a public or enterprise videophone using a username and passcode.¹ Bureau staff has explained the reason for advancing Neustar’s OAuth proposal for public phones² is to reduce the possibility of fraud and abuse by allowing the use of VRS public

¹ See, e.g., Letter from John T. Nakahata, Counsel to Sorenson Communications, LLC to Marlene H. Dortch, Secretary, FCC, CG Docket Nos. 10-51 & 03-123, at 5 (filed Jan. 22, 2018).

² It is unclear whether the Commission is also considering requiring OAuth implementation for enterprise phones. For the purposes of this ex parte, Sorenson is defining “public” phones as ones available for use by members of the general public. An “enterprise” phone, by contrast, is controlled and supervised by the entity that has procured the phone for use by its Deaf staff

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phones through “minute-pumping” schemes in which a deaf person might be hired by an unscrupulous provider to place unnecessary VRS calls. As we understand it, the staff’s hypothesis is that by tracking a Deaf individual’s use of a public phone, the Commission would better be able to spot fraud and to hold those individuals accountable. Staff asserted that they believed that public phones constituted a significant, non-de minimis number of VRS minutes, and thus justified the burden on access by Deaf users, and the added costs imposed on providers, and, through exogenous rate adjustments, the TRS fund.

To assist staff in evaluating its hypothesis, Sorenson has prepared the attached Excel worksheet (with three tabs) that contains data on Sorenson’s public and enterprise phones for the two-year period January 2016 through December 2017. The “Monthly Summary” tab contains data on usage and number of devices with VRS usage in that month, which is presented in three tables: (1) Public Phone Minutes by Market Sector by Month; (2) Public Phones Used for VRS by Market Sector by Month; and (3) Public Phone Usage Compared to Institutions and Individuals. The third table also presents public phone usage as a percentage of total minutes.

The “Phone Type Counts” tab contains data on the total number of videophones numbers by year. Data is further broken out by installed public phones, installed enterprise phones, and user phones (i.e., phones installed in homes and subject to registration in the URD). Data on public and enterprise phones is further broken out by phones with VRS minutes and phones with point-to-point only use.

The “Top 100 Public Phone History” tab contains data on minutes used by month by the top 100 public phone and enterprise customers.

With respect to public phones, the data show the following.

- Public phone usage is tiny—just 0.8% of total monthly VRS usage in 2017.
- Public phone usage is highly concentrated in the 100 VRS public phones with the greatest VRS usage, which account for just under half (~ 46% on average in 2017) of all public phone VRS minutes.
 - Outside the 100 public phones with greatest VRS usage, the average public phone (including those with no VRS usage) averaged just
*****BEGIN HIGHLY CONFIDENTIAL***** *****END HIGHLY CONFIDENTIAL***** VRS minutes per month in 2017.

in the course of their duties. This is a different definition than was proposed by the Commission in the 2017 Further Notice of Proposed Rulemaking. *Structure and Practices of the Video Relay Service et al.*, Report and Order, Notice of Inquiry, Further Notice of Proposed Rulemaking, and Order, 32 FCC Red. 2436, 2482 ¶ 117 (2017).

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- Many of these 100 public phones with the greatest VRS usage are located in K-12, post-secondary educational institutions for the Deaf, or community services centers for the Deaf.
- The number of public phones with any VRS usage in 2017 was *****BEGIN HIGHLY CONFIDENTIAL*****, which is down 1.5% from 2016. *****BEGIN HIGHLY CONFIDENTIAL***** public phones had only point-to-point or no usage in 2017.
- Total public phone VRS usage declined from 2016 to 2017 by 10%.

These data strongly suggest that public phones do not present a significant risk for fraudulent minute-pumping, the amount of VRS public phone calling is decreasing, and that any attempt at minute pumping fraud would be readily detectable by Rolka Loube, which would have information as to the entity and the historical pattern and amount of its usage. A sharp jump in usage (which would be necessary for any minute-pumping scheme to be successful) would be noticeable. While not every usage spike equates to fraud, it would be a flag for further investigation. Accordingly, it does not appear that username and passcode login is necessary to detect and prevent minute-pumping fraud. As we have previously explained, other types of fraud, such as use by ineligible individuals to place VRS calls, is extremely unlikely given the need to speak ASL and the interposition of the video interpreter.

The numbers also confirm that it would be economically infeasible to replace the vast majority of Sorenson public phones, which are provisioned using ntouch VP1 or VP2, with a desktop or tablet with a software videophone. While Sorenson might maintain some low usage phones as a public service, increasing the cost by requiring hardware with a built-in browser (which for Sorenson would mean deploying a desktop or tablet), would significantly disincen deployment of such phones. In addition, as discussed in previous ex partes, any remaining public phones would present added security issues.

With respect to enterprise phones, the data also show that the Commission needs to be careful not to disrupt the ability of enterprises to make VRS available to their staff who need it, which could harm Deaf individual employment.

- Sorenson currently has *****BEGIN HIGHLY CONFIDENTIAL***** phones installed, of which *****BEGIN HIGHLY CONFIDENTIAL***** had VRS usage in 2017, and the balance either having only point-to-point usage or no usage.
- Total enterprise phone usage (which is not subject to the current URD registration requirements) for 2017 is approximately 8%.

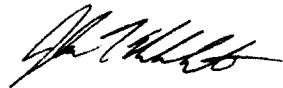
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The Commission could require enterprises requesting videophones to certify that they will only be used by Deaf individuals, and to take responsibility for monitoring their use. By so doing, the Commission could ensure that a subscribing enterprise could be accountable for fraudulent use, just as with an individual. If an enterprise's staff person abuses VRS or places unnecessary calls, the enterprise can still be held responsible for its staff person's actions, and enterprises could also assist in identifying any staff engaging in misconduct. Again, in this context, it is not clear how requiring each individual deaf person to login separately with a username and passcode meaningfully increases accountability and fraud detection or prevention. As with public phones, Rolka Loube will also have a history of minutes for each enterprise phone, and can thus examine whether the phone suddenly exhibits unusual usage patterns.

We believe this information casts significant doubt on whether a use case and economic justification can be made to warrant implementing a solution as burdensome and as expensive as Neustar's OAuth proposal to enable monitoring of VRS public phone use for fraud and abuse. At a minimum, such a step should not be taken without further evidence that less burdensome measures would not be adequate and justified by weighing both benefits and costs.

Please contact the undersigned if you have questions.

Sincerely,



John T. Nakahata
Counsel to Sorenson Communications, LLC

cc: Karen Peltz Strauss
Eliot Greenwald
David Schmidt
Michael Scott

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ATTACHMENT REDACTED